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POLICY ISSUES: COORDINATION AND COOPERATION WITHIN AND OUTSIDE THE UNITED NATIONS, INCLUDING NON-GOVERNMENTAL ORGANIZATIONS

Participation of the United Nations Environment Programme in the work of the Global Environment Facility (GEF)

Report of the Executive Director

Summary

Following Governing Council's adoption of the Instrument for the Establishment of Restructured Global Environment Facility (UNEP/GCSS.IV/2, annex), and pursuant to Governing Council's instruction that the Executive Director take action to enhance UNEP's capacity to fulfil its role and mandate in GEF, the Executive Director has taken the steps outlined in this document to strengthen UNEP's participation in the GEF process. These include staffing of the GEF Coordination Unit; placing the Unit under the direct supervision of the Office of the Executive Director; and implementation of operational procedures to ensure the mainstreaming of GEF activities in the work of UNEP.

Suggested action by the Governing Council

The Governing Council may wish to:

1. Note the progress made to date by the Executive Director to strengthen the capacity of UNEP to fulfil its designated role in GEF;

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2. Authorize the Executive Director to take such additional actions as are deemed necessary to further strengthen the capacity of UNEP to fulfil its designated role in the GEF.

3. Reaffirm the commitment of the Governing Council to the full involvement of UNEP in the design and implementation of GEF programmes and projects.

4. Urge the Executive Director to continue to strengthen the linkages between UNEP and the GEF.

INTRODUCTION

1. In decision SS.IV/1, the Governing Council adopted the Instrument for the Establishment of the Restructured Global Environment Facility (GEF) and requested the Executive Director to enhance the capacity of UNEP to fulfil its role as one of the GEF Implementing Agencies. At its eighteenth session, the Governing Council considered the report of the Executive Director on the participation of UNEP in the GEF (UNEP/GC.18/20).

2. Under annex D, paragraph 11, of the Instrument, UNEP is assigned the primary role in: catalysing the development of scientific and technical analyses, and in advancing environmental management in GEF-financed activities; providing guidance on relating the GEF-financed activities to global, regional and national environmental assessments, policy frameworks and plans, and to international agreements; and is responsible for establishing and supporting the Scientific and Technical Advisory Panel (STAP) as an advisory body to the GEF.

3. In the course of the GEF Heads of Agencies meeting, held in Washington, D.C., on 19 June 1996, UNEP's priorities as an Implementing Agency were listed by the Executive Director as: (i) assessments along the lines of the "Global Assessment of Biodiversity"; (ii) backstopping the Scientific and Technical Advisory Panel; (iii) regional efforts, in collaboration with the other Implementing Agencies, on transboundary issues in the international waters and biodiversity focal areas; and (iv) "enabling activities" to assist countries in preparing their action plans and strategies for implementing the global environmental conventions.

I. CONTRIBUTION OF UNEP TO THE DEVELOPMENT OF GEF POLICIES AND OPERATIONS

4. At its October 1995 meeting, the GEF Council approved the Operational Strategy for the GEF. UNEP has provided technical and scientific inputs in the preparation of the Strategy and has taken the lead in preparing a possible GEF strategy on research. GEF operations are to be programmed in three categories of activity: (i) enabling activities; (ii) operational programmes; and (iii) short-term response measures.

5. Enabling activities include inventories, compilation of information, policy analysis, and strategies and actions plans and represent the basic building-block of GEF assistance. UNEP participated in two inter-agency task forces, on biological diversity and climate change, established to prepare the operational criteria as well as to coordinate and implement approved enabling activities. UNEP is taking an active part in the preparation, adoption, and implementation of such enabling activities. In April 1996, the GEF Council agreed that it would advantageous to develop inter-country training and best-practice workshops, at a regional or global level, and it has been agreed that UNEP will take the lead in developing this effort.

6. UNEP has contributed to the development of the 10 GEF Operational Programmes which provide conceptual and planning frameworks for the design, implementation and coordination of global environmental projects. UNEP is also involved in ongoing efforts aimed at encouraging broad participation in

GEF operations, by increasing public involvement, engaging the private sector and enhancing the participation of non-governmental organizations. These efforts have included contributions to the drafting of policy documents considered by the Council, and the convening of a consultative meeting between accredited NGOs and UNEP on 8-9 May 1996, and a meeting with representatives of indigenous and local communities from 29 to 31 May 1996. UNEP is cooperating with UNDP and the World Bank in the implementation of GEF Project Development Workshops aimed at enhancing the capacity of an ever-widening range of GEF stakeholders to identify, develop and manage well-designed, high-quality, country-driven GEF-eligible projects.

7. UNEP is closely associated with the on-going efforts of the GEF secretariat aimed at improving operational and managerial effectiveness that include: (i) developing procedures for operational programming; (ii) estimation and application of incremental costs; (iii) monitoring and evaluation; (iv) streamlining the procedure of the GEF Operations Committee (GEFOP); and (v) the application of the logical framework approach. Regarding the latter, a workshop for all UNEP staff on the logical framework approach was convened in Nairobi on 2-3 September 1996.

8. The increased contribution of UNEP in the GEF operations as a result of the measures taken by the Executive Director is also reflected in the increased involvement of UNEP as an Implementing Agency and in the UNEP/GEF Business Plan for Fiscal Year 1997-1999 considered by the GEF Council in October 1995.

II. UNEP/GEF BUSINESS PLAN FOR FISCAL YEAR 1997-1999

9. At its May 1995 meeting, the GEF Council adopted a corporate business planning/budgeting approach involving a three-year business planning cycle and an annual budget. Three-year rolling business plans are to be presented in October/November of each calendar year with a corresponding detailed corporate budget to be presented for Council review and approval at the first meeting of the following year (April/May). UNEP's GEF business plan for fiscal year 1997-1999 submitted to the GEF is based on the assumptions detailed in paragraphs 10-15 below.

10. UNEP as an Implementing Agency. UNEP will implement through a wide variety of executing agencies, a small number of projects that build on the existing UNEP programme. To the extent possible and necessary for effective implementation, projects will be implemented jointly with other Implementing Agencies.

11. UNEP as a source of new project ideas. Through its own networks, UNEP will support the GEF objective of "casting as wide a net as possible" by assisting countries in identifying project concepts. Within its area of expertise and as part of its role in coordinating the environmental activities of United Nations bodies, UNEP will also seek to encourage the participation of agencies of the United Nations system, the scientific community and the private sector in GEF activities.

12. UNEP as a source of guidance on relating GEF-financed activities to global, regional, and national environmental assessments, policy frameworks

and action plans, and international agreements. UNEP will review and offer inputs on the design of UNDP and World Bank projects by advising on the consistency of the projects with global and regional agreements, assessments and programmes, as well as on opportunities for stronger links with them.

13. UNEP as a partner of UNDP and the World Bank in project development and implementation. Significant emphasis will be placed on effective collaboration with, and support to, UNDP and the World Bank in the development of the GEF-1 portfolio. UNEP will promote inter-agency synergy in GEF projects and maximize the benefits projects may derive from UNEP's comparative advantage.

14. UNEP's role at the strategic level. In cooperation with the GEF secretariat and the other Implementing Agencies, UNEP will help identify priorities and gaps in GEF operational strategies and work to further refine and develop GEF policies and strategies. UNEP inputs to GEF strategy, are central to its responsibility to relate GEF-financed activities to environmental assessments, policy frameworks and agreements.

15. UNEP's role in GEF programming and awareness. UNEP will participate in and organize activities (particularly at the regional level), in collaboration with the GEF secretariat and other Implementing Agencies, to increase awareness about the GEF, and to further develop the work programme in the focal areas and cross-cutting issues such as land degradation.

III. SUPPORTING THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL

16. Paragraph 24 of the Instrument for the Establishment of the Restructured GEF states that:

> "UNEP shall establish, in consultation with UNDP and the World Bank and on the basis of guidelines and criteria established by the Council, the Scientific and Technical Advisory Panel (STAP) as an advisory body to the Facility. UNEP shall provide the STAP's Secretariat and shall operate as the liaison between the Facility and the STAP".

At the initiative of UNEP, the July 1995 meeting of the Council adopted terms of reference, a mandate, composition and role for the STAP.

24. The mandate of STAP is to provide objective, strategic and technical advice on GEF policies, operational strategies and programmes; conduct selective reviews of projects in certain circumstances and at specific points in the project cycle; and to maintain a roster of experts. STAP's activities are to be integrated with the activities of the GEF secretariat and Implementing Agencies.

28. In early February 1995, The Executive Director appointed, in consultation with the GEF Implementing Agencies, a reconstituted STAP of 12 members, from developing and developed countries, four of whom are women.

29. As part of its strategic role, STAP is expected to provide specific products on a regular basis and in accordance with this mandate, STAP has

delivered a number of products including: the roster of experts and operational guidelines on the management of the roster; review of issues emerging from the Operational Strategy and Operational Programmes; and technical and scientific analyses as well as thematic papers in the focal areas of biodiversity, climate change, international waters and land degradation.

30. STAP has provided technical and scientific advice on the projects submitted by the Implementing Agencies to the GEF Operations Committee, and has convened two workshops one on stimulating private sector initiatives for accelerating the introduction of renewable energy technologies and one on land degradation. It has also convened brainstorming sessions with the coordinators of the focal areas of the Implementing Agencies and the GEF secretariat and initiated selected review of GEF projects.

IV. CONCLUSION

31. It is anticipated that as a consequence of the strengthening of the GEF Coordination Unit, UNEP's active involvement, at all levels of the GEF process, will be enhanced during the next biennium.